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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

IN RE TESLA, INC. SECURITIES
LITIGATION

Case No. 3:18-cv-04865-EMC

**DECLARATION OF
MICHAEL L. HARTZMARK, PH.D.**

I, Michael L. Hartzmark, Ph.D., declare as follows:

1. I submit this declaration in support of Plaintiff's motion for class certification, appointment as class representative, and appointment of class counsel.

2. I am the President of Hartzmark Economics Litigation Practice, LLC, a Chicago-based firm that specializes in the application of economics, finance, statistics, and valuation principles to questions that arise in a variety of contexts, including securities class actions.

3. I hold a Bachelor's Degree in Economics from The University of Michigan and Masters and Doctorate Degrees in Economics from The University of Chicago. I have taught economics and financial economics in the Department of Economics at The University of Chicago and jointly in the Michigan Business School (now the Ross School of Business) and the Department of Economics at the University of Michigan.

4. I have testified as an expert in numerous securities class actions where my qualifications and testimony have been accepted by the Court, including recently in *In re CenturyLink Sales Practices & Securities Litigation*, No. 17-2795 (MJD/KMM), 2020 U.S. Dist. LEXIS 167572 (D. Minn. Sep. 14, 2020), *SEB Investment Management AB v. Symantec Corp.*, No. C 18-02902 WHA, 2020 U.S. Dist. LEXIS 81661 (N.D. Cal. May 8, 2020), and *Vrakas v. United States Steel Corp.*, No. 17-579, 2019 U.S. Dist. LEXIS 222783 (W.D. Pa. Dec. 31, 2019), *petition for leave to appeal denied*, No. 20-8003 (3d Cir. Apr. 1, 2020). I list these cases in particular in light of their relevance to the matter at hand, given that they involved large classes of investors in different types of securities, including common stock, bonds, and options, with different causes of action under the federal securities laws.

5. I have been retained by Plaintiff in this action as an expert. In that capacity, Plaintiff has requested that I determine whether the securities of Tesla Inc., including its common stock and options on common stock, traded in efficient markets between August 7, 2018 and August 17, 2018 following Elon Musk's tweet concerning taking Tesla private. I have also been asked to opine on whether the calculation of damages in this action is subject to a common methodology on a class-wide basis that is consistent with Plaintiff's theory of liability.

6. I have analyzed the price movements and volume of Tesla's securities during the Class Period as well as other factors used to determine whether a market for a security is "open and developed" or "efficient" meaning that security prices rapidly adjust to reflect new publicly available information in an unbiased fashion. These factors and my analysis are discussed at greater length in Sections IV, V, VI, and VII of my expert report, attached hereto as Exhibit A.

7. Based on my analysis, it is my expert opinion that, throughout the Class Period, Tesla common stock and options on Tesla common stock traded in efficient markets.

8. It is also my expert opinion that, while I have not been asked to quantify damages, the calculations of damages for violations of Section 10(b) of the Exchange Act (and SEC Rule 10b-5) for both the Tesla common stock and the options on Tesla common stock are subject to a common methodology and may be computed on a class-wide basis.

